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## Housing Committee

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### HB 1771

**Brief Description:** Concerning relocation assistance for tenants of closed or converted manufactured/mobile home parks.

**Sponsors:** Representatives Donaghy, Gregerson, Ramel, Morgan, Fosse, Reed, Ormsby, Doglio, Peterson and Pollet.

#### Brief Summary of Bill

- Modifies the timeframe that tenants, who have received initial cash assistance under the Mobile Home Relocation Assistance Program (Relocation Assistance Program), have to take specific actions to receive the remainder of the relocation assistance.
- Modifies the timeframe that park -owners have to seek reimbursement for costs incurred for demolition and disposal of mobile and manufactured homes when tenants do not relocate or demolish and dispose of them.
- Allows an eligible tenant to receive financial assistance from the Relocation Assistance Program if the tenant also receives assistance from another source that exceeds the maximum amount of assistance to which the tenant is entitled.

**Hearing Date:** 2/13/23

**Staff:** Serena Dolly (786-7150).

#### **Background:**

Office of Mobile and Manufactured Home Relocation Assistance.

The Office of Mobile and Manufactured Home Relocation Assistance (Office), in the

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Department of Commerce (Department), provides general assistance to mobile and manufactured home resident organizations, tenant organizations, and community owners. Among its duties, the Office provides technical assistance to tenants who are participating in the conversion of a mobile home park to resident ownership and provides financial assistance to homeowners under the Mobile Home Relocation Assistance Program (Relocation Assistance Program) when mobile home parks close.

#### Mobile Home Relocation Assistance Program.

The Relocation Assistance Program provides monetary assistance on a first-come, first-served basis to low-income persons owning mobile homes located in mobile home parks that are scheduled for closure or conversion to another use. Tenants residing in parks that are closed because of park-owner fraud or health and safety concerns are given priority to available funds. Payments are made by the Office upon verification of eligibility and subject to the availability of funds. To be eligible for relocation assistance:

- the tenant must reside in the mobile home park at the time a closure notice is issued; and
- the tenant's household income must be no greater than 80 percent of the median family income for the county where the mobile or manufactured home is located.

The tenant, or an organization acting on behalf of the tenant, must submit an application for relocation assistance that includes:

- a copy of the notice from the park-owner or other proof that the tenancy is terminated due to park closure or conversion to another use;
- a copy of the rental agreement or other proof that the applicant was a tenant at the time of the closure notice;
- proof of ownership of the home at the time of closure notice;
- a statement of whether the tenant will transfer title of the home to the park-owner or relocate the home within 90 days of receiving relocation assistance; and
- any other information requested by the Department.

Eligible tenants may receive financial assistance up to \$17,000 for a multisection home and \$11,000 for a single-section home, which is distributed in two payments. An initial payment of up to \$12,000 for a multisection home and up to \$8,000 for a single-section home may be used to relocate the home or secure alternative housing. To receive the remainder of the assistance, tenants are required, within 90 days of receiving the initial assistance, to:

- transfer title of the manufactured/mobile home to the park-owner;
- relocate the home; or
- demolish and dispose of the home.

If the tenant does not relocate or demolish and dispose of the home with 90 days of receiving assistance, the park-owner may seek reimbursement from the Relocation Assistance Fund (fund) for costs incurred for demolition and disposal of the home in the amount of:

- \$4,000 for a multisection home; and
- \$2,500 for a single-section home.

To receive the reimbursement, the park-owner must provide documentation to the Department demonstrating costs incurred. If costs incurred for demolition and disposal exceed the amounts specified, the park-owner may seek additional reimbursement from the portion of the fund to which park-owners contribute under the registration process for additional costs incurred as follows:

- \$4,500 for a multisection home; and
- \$3,000 for a single-section home.

A tenant is not entitled to relocation assistance if the tenant:

- gave notice of intent to vacate the park and terminate the tenancy before a written notice of closure was issued, unless the tenant has remained on the premises and continued paying rent for at least six months after giving notice of intent to vacate and before receiving formal notice of a closure or change of use;
- purchased a mobile home in the park or moved a mobile home into the park after a written notice of closure was issued; or
- receives relocation assistance from a source other than the Relocation Assistance Program that exceeds the maximum amount of assistance for which the tenant would have otherwise been eligible.

### **Summary of Bill:**

To receive the remainder of the financial assistance, a tenant must transfer the home's title to the park-owner, relocate the home, or demolish and dispose of the home by the park closure date. A tenant who removes a home by the park closure date and reinstalls the home in another location within 12 months of the closure date is also eligible for the remainder of the financial assistance. If the tenant does not relocate or demolish and dispose of the home by the park closure date, the park-owner may seek reimbursement.

To be eligible for relocation assistance, a tenant also may relocate the home by selling or gifting the home to a third party with the condition the third party is responsible for removing the home on or prior to the park closure date.

A tenant who receives assistance from an outside source that exceeds the maximum amount of assistance to which a person is entitled under the Relocation Assistance Program may still receive financial assistance.

**Appropriation:** None.

**Fiscal Note:** Requested on February 9, 2023.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.